

RULERS OF THE BRITISH EMPIRE

The following analysis of the men who rule the British Empire uncovers the background and interrelationship of such exponents as the Chamberlains, Baldwin, Eden, and Churchill and provides valuable information on the manner in which British leadership is formed and maintained. The material for this article was taken from British sources and edited by K. H. Abshagen, a specialist on British affairs.—K.M.

ON December 10, 1900, the Hon. Member for Carnarvon Borough, a young hot-blooded lawyer with a shock of black hair, rose to his feet in order to disclose to the House some facts which were to shake the British social structure to its foundations. This young M.P. from Wales, whose name was David Lloyd George, was at that time almost unknown in the political world. What he had to say was the following.

As far as he had been able to ascertain, the Right Hon. gentleman, Mr. Joseph Chamberlain, Secretary of State for the Colonies, as well as the Hon. Member for East Worcestershire, his son Mr. Austen Chamberlain, Financial Secretary to the Treasury, were shareholders in three companies which in the course of the Boer War had amassed huge profits from Government contracts for armaments by cutting out all other competitors. The first of these companies was known as Hoskins & Sons, Ltd. Lloyd George was in a position to inform the House that this firm, which handled Admiralty contracts exclusively, was owned almost entirely by the Chamberlain family. The second firm was the Birmingham Trust, in which the family of the Secretary of State for the Colonies had invested £67,000. The Birmingham Trust was a holding company incorporating two other armament factories, namely, Tubes Limited and Elliot's Metal Company. Tubes Ltd. was owned by Mr. Arthur Chamberlain, brother of the Secretary of State for the Colonies, who held 74,800 shares in this concern. Mr. Neville Chamberlain, second son of the Secretary of State for the Colonies, was the managing director of Elliot's Metal Company. These two armament factories had, as Lloyd George showed, made substantial profits in past years by very favorable contracts with the Admiralty. As far as Elliot's Metal Company was concerned, Lloyd George was able to point out that the Chamberlain

family held shares to a total value of £121,000 in this company, which had received a large number of orders to equip the docks of Her Majesty's Navy.

PROFITABLE PRISON CAMPS

Excitement in the House rose to a high pitch after these disclosures, for Joseph Chamberlain and his whole family were in those days the central figures in Britain's political life. His biographer writes that the Secretary of State for the Colonies listened to this attack with a stoical mien. But Lloyd George was not to be disconcerted. He proceeded to speak of a third company in which the Chamberlain family was interested and which was receiving Government orders, curious orders, indeed, as it transpired later. He was referring to the Colombo Commercial Company, a speculative concern dealing in miscellaneous merchandise in Ceylon. In the Boer War, Lord Roberts had taken many thousands of prisoners in 1899 and 1900. They had at first been deported to St. Helena and subsequently to Ceylon on instructions from the Secretary of State for the Colonies, the most pressing problem being to accommodate these prisoners in Ceylon by building barracks for them. In August 1900, the *Ceylon Observer* stated that 18 iron barracks for soldiers and 30 for Boer prisoners had already been put up by the Colombo Commercial Company, and that more would follow.

It was an awkward fact, Lloyd George said in his speech, but a fact which could not be concealed, that the Chamberlain family were among the leading shareholders of this company. "I cannot conceive a more unfortunate investment at the present moment than an investment in making prisons for the Boers. . . ."

Lloyd George concluded by saying that the Chamberlain family was, moreover, interested to the extent of £250,000 in the

Kynoch Company Ltd. This company was what was popularly called a munitions factory; unfortunately it could not be denied that this munitions factory, which was largely controlled by the Chamberlain family, had made very substantial profits during the Boer War, chiefly because it was in the favorable position of being able to realize considerably higher prices for its products than those concerns unconnected with governmental circles.

A MOTION REJECTED

The main purpose of the sweeping attack on the Chamberlain family by Lloyd George was to persuade the House to accept a Bill prohibiting Cabinet Ministers from holding shares in companies which dealt in Government contracts. The motion was rejected by 269 to 127 votes.

In defending themselves against the well-substantiated accusations brought forward by Lloyd George, the two members of the Chamberlain family were only able to retaliate by weak and unconvincing statements. And yet an overwhelming majority in the House had immediately rallied round the cause of the Chamberlain family. The attack by the Welsh outsider, it was felt, had been directed against the whole caste, and had therefore to be countered by the democratic measure of a majority vote. No such direct attack has ever been made again in the House, not even by the Labor Party. Today, Lloyd George himself may look back upon this incident as one of his youthful escapades. But actually it was this debate in Parliament in 1900 which first exposed the roots of that system from which Britain's ruling classes derived their power and sustenance. Politically speaking, Britain is Parliament, and Parliament, in its turn, elects the Cabinet. But what is Parliament?

TORY DOMINION

Except for two short periods, the Conservatives have been in power in the House of Commons since the resignation of Lloyd George's War Cabinet. The accession to power of the Labor Party in 1924 and 1929 meant nothing but a brief interregnum. This was terminated by Ramsay MacDonald having fallen prey to the wiles of the ruling caste; for a few years he remained in Downing Street as a puppet of the National Coalition Government, whereas in reality the Conservatives governed the land and reoccupied their lucrative posts.

The second War Cabinet, formed in May 1915, had already included Conservatives as members of the Coalition Government. Except for the first MacDonald Cabinet (January to November 1924) and the second Labor Cabinet (July 1929 to August 1931) the Conservatives, led by Bonar Law, Stanley Baldwin, and finally Neville Chamberlain, have thus been in power without a break. In the present Parliament they hold 415 of some 600 seats. As the Opposition is in a hopeless minority, these 415 men and women are the virtual representatives of the British people. Who are they?

DIRECTORS IN PARLIAMENT

The answer to this question was given in a book by Simon Haxey entitled *Tory M.P.*, which appeared in London in August 1939. Its author, or authors—for it is assumed in competent quarters that two well-known members of the House of Commons have hidden their identity behind the nom de plume of Simon Haxey—have based their analysis on carefully collected statistical material. No serious attempt has ever been made to dispute the accuracy of the facts contained in this book.

According to Haxey, 44 per cent of these 415 Conservative Members of Parliament—i.e., 181—are managing directors or directors of large British stock or trading companies. Together, these 181 members hold no less than 775 posts as managing directors or directors in 700 of the leading banks, industrial enterprises, shipping companies, and overseas trading concerns. In other words, the British Parliament, which is ruled by the Conservatives, proves, on closer examination, to be the representative not of the British nation but of the most powerful capitalist interests ever concentrated in one country—except Wall Street. If we include in our calculation all those Members of Parliament who are not directors themselves but whose brothers, sons, or sons-in-law occupy important business posts, we may well estimate that almost 80 per cent of all the Conservative Members of Parliament are directly or indirectly linked with Big Business. Political leadership and financial aristocracy are thus identical in Britain.

It must be noted that it was impossible to include cases in which M.P.'s are shareholders in "private companies," i.e. enterprises which are not registered as public companies, although in some cases they may enjoy an international reputation; in all

probability these cases amount to several hundreds.

Unfortunately, no statistics are available to assess the total capital of the companies whose managers and directors are at present Members of Parliament. Such a calculation exists, however, for the period from 1924 to 1929, when there was a large Conservative majority. During that time, 1,160 companies (including subsidiary companies) were represented in the House of Commons, the capital of 682 of which could be ascertained. It amounted to the colossal sum of £2,951,000,000. In considering these figures the fact must also be taken into account that the capital of the remaining 478 companies in which directorships were held by Members of the House could not be ascertained. Moreover, these figures do not include such companies in which M.P.'s have shareholdings but are not represented on the board of directors.

MUNITIONS AND PREMIERS

All the three Conservative Prime Ministers of postwar days, Bonar Law, Stanley Baldwin, and Neville Chamberlain, belonged to families intimately connected with the armament industry; in fact, all three of them had, before they entered the political arena, been managing directors of great armament concerns; and even during their terms of office they had considerable parcels of shares in the same companies safely tucked away in their banks. After the failure of Lloyd George's attack in 1900, no objection could, of course, be raised on this score. All that is required of a British Cabinet Minister is that he resign from the post of managing director or from the board of directors of a company. Whether he continues to control these companies in his capacity as a shareholder is nobody's concern.

Up to the time of his appointment as a Parliamentary Undersecretary of State, Bonar Law—whose Cabinet succeeded the postwar Government of Lloyd George (1922/23)—owned the wholesale metal and arms business of William Jacob & Co. in Glasgow.

Stanley Baldwin was a big shareholder in the great steelworks known as Baldwin's Limited and resigned his directorship in that company when he became a Cabinet Minister. But during his term of office as Prime Minister he still held 194,526 one-pound ordinary shares and 37,591 one-pound preference shares in this armament concern.

While he was Prime Minister, an exchange of shares took place which closely linked up Baldwin's Limited with the Vickers Armstrong concern, the leading armament factory in Great Britain. As Earl Baldwin and a Member of the House of Lords, he was again able to act as a director of his company. The net profit of Baldwin's Limited amounted in 1932 to £530,000, and it increased to £1,500,000 in 1938. In 1933 Baldwin, then Lord President of the Council, received a dividend of only 4 per cent, in 1934 he received 6 per cent, in 1935, when Prime Minister, he received 8 per cent and a bonus of 50 per cent, in 1936 and 1937 his dividends amounted to 10 per cent, and a corresponding bonus. Apparently the armament business, which came into full swing under the Baldwin Government, was quite lucrative.

Now let us turn to Neville Chamberlain. We have already made his acquaintance as a managing director of Elliot's Metal Company at the time when his father was Secretary of State for the Colonies and his half-brother Financial Secretary to the Treasury. Neville Chamberlain then became a managing director in the second largest British armament factory, the Birmingham Small Arms Company. He only resigned this post when he accepted state office. Up to his death in 1941 he was a large shareholder in the Birmingham Small Arms Company. In 1939, Chamberlain held 23,250 shares in Elliot's Metal Company. In the meantime, just as Baldwin's Limited had become closely affiliated with Vickers Armstrong, Elliot's Metal Company became associated with Imperial Chemical Industries, the enormous British chemical trust. Chamberlain had, evidently in exchange for Elliot shares, received 5,414 ordinary shares and 833 preference shares of this trust. In 1939, Neville Chamberlain's holdings of I.C.I. shares were estimated at 11,000. In the meantime, his son, Francis Chamberlain, had joined the Kynoch Works, also closely associated with the I.C.I., the same munitions factory which figured in 1900 in the Joseph Chamberlain scandal. So for some fifty years on end the Chamberlain family has held shares in the same armaments and munitions factories.

CORRUPTION?

On July 12, 1926, no less a person than Arthur Henderson, Foreign Minister of the two Labor Cabinets and later President of the Disarmament Conference, openly accused Neville Chamberlain, then Minister of Health,

of corruption. He declared that, after entering the Cabinet, Neville Chamberlain had not resigned his directorships in Hoskins & Sons and Elliot's Metal Company, although both firms were constantly receiving Government orders. As we have seen, these were the same two companies which, according to Lloyd George's statement in 1900, earned enormous profits for the Chamberlain family during the Boer War. Henderson expressed his indignation over the fact that, although during the eight months of the Labor Government in 1924 Hoskins & Sons had only received a single Government contract, they had been entrusted between January 1925 and January 1926 with seven large Government orders which had been arranged for this firm by colleagues of the Minister of Health. Between January 1925 and January 1926, fourteen large Government contracts had been awarded to Elliot's Metal Company.

In accordance with Parliamentary practice the motion of the Opposition for an inquiry was talked and outvoted. Neville Chamberlain's face was saved, and the way paved for him to become Chancellor of the Exchequer and Prime Minister.

ON THE BENCH—ON THE BOARD

Since the Victorian era—aside from the personal factor, this general fact is of particular importance—the small financial oligarchy on which the fate of Britain depends has never permitted a man to remain at the head of a Cabinet for any length of time if his past history showed him to have been skeptical about a fusion of business with politics. The only exception was Lloyd George during the Great War, who was allowed to stay because it was hoped that he would help to calm the masses which had to bear the burdens of the war. The rule, however, is that no Prime Minister, in fact no Cabinet Minister or Undersecretary of State, must regard it as unusual if politics and business are inextricably entangled. A man who attains the position of a Cabinet Minister, after having been managing director of an armament concern, will see nothing strange in having other directors of leading companies surrounding him in the Cabinet and the House of Commons. A typical example of recent times is the present Chancellor of the Exchequer, Sir John Anderson, who is regarded by many as the most likely successor to Winston Churchill as Prime Minister. When Sir John retired,

a few years before the present war, from the job of Governor of Bengal and was elected into the House of Commons, he was at about the same time made a director of Vickers, I.C.I., and the Midland Bank.

Leading shareholders of Vickers Armstrong have included and still include a number of prominent political personalities, among them one of Anderson's predecessors as Home Secretary (from 1932 to 1935), the late Sir John Gilmour. Another member of this group is Harold P. Mitchell, also a Member of the House, and finally no less a person than Lord Hailsham, Secretary of State for War from 1931 to 1935, who has always been known as the bitterest of Germanophobes. It is noteworthy that Lord Hailsham did not part with his Vickers shares during the time when he was Minister of War. It was during his term of office that the Vickers dividend began to improve, and it was perhaps more than a mere coincidence that it was Lord Hailsham who wrecked the disarmament proposals made by Adolf Hitler.

No less than 51 Conservative Members of Parliament are directors of iron, coal, and steel concerns. 23 Members of Parliament are shareholders in the airplane industry, some of whom claim our interest in other respects as well. Chief of these is the Chairman of the Federation of British Industries, Sir Patrick Hannon, whose board of directors is composed almost exclusively of Conservative M.P.'s. Sir Patrick is now deputy chairman of the board of directors of the same Birmingham Small Arms Company of which Neville Chamberlain was formerly a managing director. Thus the Chairman of the Federation of British Industries and the former Prime Minister were colleagues in the private armaments industry.

EXCELLENT CONNECTIONS

Not that there is anything particularly novel about such connections. As early as 1919 another great armaments factory, Cammel Laird & Company, actually succeeded in having one of their directors elected as Financial Secretary to the Ministry of Munitions. This was the present Lord Rankeillour, raised to the peerage in 1932. His son, Captain Arthur Hope, now occupies the seat held by his father from 1908 to 1928. He is also Treasurer of the Royal Household, while his father has returned to

the board of directors of the armaments factory.

Cammel Laird & Co., who distributed a dividend of 10 per cent in 1938, have connections not only with the Ministry of Munitions but also with the Admiralty. For many years a close connection has also existed between this great armament factory and no less a person than the well-known Leopold S. Amery, M.P., Secretary of State for the Colonies in the Churchill Cabinet. Amery has held many ministerial posts: he was at one time Financial Secretary to the Admiralty, from 1922 to 1924 he was First Lord of the Admiralty, from 1924 to 1929 Secretary of State for the Colonies, as well as Dominions Secretary from 1925 onwards. In the long interval between 1929 and 1940 when he was out of office, he was director of Cammel Laird & Co. In addition to this, Amery was for many years President of a Trust Company which concerns itself with land speculation in Canada. He was a director of a company which owns property on the Gold Coast as well as of a mining company which holds a monopoly over an extensive district in Southwest Africa. He was also on the board of directors of three gold-mining companies operating in Australia. It is natural that a man of so many parts can also acquire the best-paid sinecures: he was, for instance, also a director of the Southern Railway Company, one of the largest industrial enterprises in England. If Leopold Amery should ever retire from the Cabinet, many of these lucrative posts will be waiting for him again; for although he had to resign his directorships for formal reasons as a Minister of the Crown, his close connections with his old concerns continue to exist.

It is difficult to ascertain where the armament interests of the Members of the House begin and where they end. Of the twenty-three M.P.'s who were listed in 1938 as shareholders of aircraft factories, we need only mention Edgar Granville, a director of Alvis Ltd., who manufacture engines for aircraft, and W. Craven Ellis, a director of Peters Ltd., who own the majority of the Westland Aircraft Works. All these M.P.'s naturally have the most varied subterranean channels of influence through which they can procure Government contracts for their companies. At the same time their line of policy is exactly defined for them. The average dividend of the British aircraft industry in the past few years was 30 per cent.

POLITICS AND FAMILY

These relationships existing between the armament industry, Parliament, and the Conservative Cabinets, throw an interesting light on the personal background of the rearmament policy of recent years.

Among Cabinet Ministers with relations in high financial circles, Anthony Eden must not be forgotten. His name does not appear in the list of British directors. The Eden family itself, a titled family the eldest son of which is now the eighth baronet, does not belong to the financial aristocracy. But through his wife Beatrice, Anthony Eden is directly connected with a family of important financiers. His late father-in-law, Sir Gervase Beckett, was for many years a director of the Westminster Bank; and one of Sir Gervase's brothers, Rupert Beckett, has been chairman of the board of directors of this powerful banking institution since 1931 and at the same time chairman of the board of directors of the *Yorkshire Post*, which is well known as Eden's mouthpiece. Rupert Beckett is also a director of the London & North Eastern Railway Co. and of the Yorkshire Penny Bank. It can safely be assumed that Eden's connections with the Beckett family have had a decisive influence on his career.

This gives us an idea of how closely politics and big business are entangled in Great Britain. Ministers of the Crown and Members of Parliament who meet today in the lobby or in the Chamber of the House of Commons will see each other again tomorrow at the board meeting of some armament company or other big industrial combine in their capacity as directors. The roles are changed but the actors are the same. Legislation concerning or apt to influence the profits of big business will be discussed and thrashed out in the board rooms of the big industrial and commercial enterprises long before the same people discuss and decide upon it in Parliament.

If we recall the figures originally mentioned of 181 members holding more than 755 directorships, it is now possible to calculate what this really means. The interests of the state, in fact, the policy of the whole British Empire, are subordinate to the private interests of a few hundred families whose members hold the key positions in British high finance, in addition to their political posts.

WEALTH IN POLITICS

Simon Haxey has calculated that the 33 M.P.'s who died between 1931 and 1938 left £7,100,000 between them, so that the average fortune of each of these men was £218,156. Of these 33 deceased M.P.'s:

- 2 left over 1 million pounds
- 12 between £100,000 and 1 million pounds
- 7 between £40,000 and £100,000
- 7 between £20,000 and £40,000
- 5 between £10,000 and £20,000

Thus 42 per cent of these members left fortunes of over £100,000 while only 0.1 per cent of the whole British population can lay claim to such a fortune. Nearly 90 per cent of those who have an income earn less than £250 a year.

The population of the British Empire is estimated roughly at 500 millions. About 60 millions of these live in the British Isles and in those of the Dominions where white men predominate; the remaining 440 are governed indirectly by the British Parliament, that is to say, by the Cabinet approved by it. Simon Haxey arrives at the ironical conclusion that the only way in which the British Colonial Empire—which has no political rights—is represented in Parliament is by those members who have interests in the exploitation companies in the Empire.

MAZE OF NAMES

It is exceedingly difficult for the average Englishman, and even more so for the foreign observer, to penetrate the secrets of the financial as well as the personal inter-relationship of the English ruling class, for the ruling class of England has developed a system of camouflage that necessitates special research if one wants to ascertain the identity of one and the same person throughout the duration of his political life.

For years, for instance, we have been reading of the exploits of the former Foreign Secretary and present British Ambassador to Washington, Lord Halifax. Even in England there are probably many people who are unaware of the fact that this same Viscount Halifax, under the name of Lord Irwin, was Viceroy of India from 1926 to 1931 and that, before his appointment to that position, he was a Conservative Member of Parliament under the name of Edward Wood. His son, Charles Wood, has meanwhile entered the Lower House under this family name; but doubtless he, too, will one

day appear under another name together with a title bestowed upon him by the King.

Cases such as those of Churchill, Lloyd George, Baldwin, and Chamberlain, in which a change of name has not taken place in the course of the political career, are the exception. This is explained by the fact that the majority of the political leaders of England are descendants of titled families, the practice being that, after the death of the bearer, the title is assumed by his eldest son. As a recent example we may cite the case of Sir Eric Drummond, for many years Secretary-General of the League of Nations and later British Ambassador in Rome who, at the age of 63, suddenly continued life as Lord Perth. Another case was that of William Ormsby-Gore (then Colonial Secretary), who after the death of his father in May 1938 succeeded to the title of Lord Harlech. This system applied, of course, also to Jews who found entrance into the British high aristocracy. Behind the name of Lord Swaythling, for instance, stands a descendant of the Jewish bankers, the Montagus, while the Jewish family of oil magnates that founded the Shell Company, the Salomons, now boasts the title of a Lord Bearsted in its first male line.

RELATIONS ON ALL SIDES

It is to be assumed that at least 150 members of the Lower House are directly or indirectly related to one another, connected by marriage or through a third person. In other countries, too, statesmen have relatives; but (except for stray individual cases) this has no influence upon the personal policy of the state. In England, however, the political outsider, who usually first made a name for himself by penetrating the sphere of high finance, does not become a fully recognized political figure until he or one of his brothers, sons, daughters, or sisters has succeeded in forming ties of kinship with the innermost core of the English upper class. Simon Haxey's list shows that, among the present leading political personalities in Britain, the following are indirectly related to one another: Winston Churchill, the Marquess of Zetland (Amery's predecessor as Secretary of State for India), Sir Samuel Hoare (holder of many ministerial posts and at present Ambassador to Spain), Oliver Stanley (a younger son of Lord Derby and a member of the Churchill Cabinet), Lord Halifax, Alfred Duff Cooper, Walter Elliott (who also

held many important posts, including that of Minister of Agriculture and Chairman of the Board of Health), Lord Caldecote (better known by his former name Sir Thomas Inskip, who was Minister for Co-ordination of Defense in the Chamberlain Cabinet), the Earl of Winterton and, last not but least, Leopold Amery.

The connection between business and politics in English upper circles gains a new piquancy by this confusing picture of family ties. To fathom this system more closely it is only necessary to pick out a few of the most important families.

THE DERBYS

If, for instance, we take that of the Derbys, which may be looked upon as one of the richest families in England, we discover the following strange circumstances. The present Earl of Derby, the seventeenth bearer of this title, was, among other things, Member of the House of Commons from 1892 to 1906. After holding various minor posts in the Cabinet he became Secretary for War in 1916, British Ambassador to France from 1918 to 1920, and again Secretary for War from 1922 to 1924. He is considered one of the most influential persons in the kingdom and has devoted particular care to Anglo-French relations. We gain an idea of the wealth of his family when we learn that in 1924/25 the Earl sold his real estate in the towns of Bury, Radcliffe, Whitefield, Manchester, and Salford for approximately one million pounds sterling. Two years later he sold about 22,000 houses in Liverpool, Bootle, Kirkdale, and Walton for £1,750,000.

His eldest son, Lord Edward Stanley, who died in 1938 as Secretary for the Dominions, left an estate of 2.2 million pounds. Before his appointment to the Cabinet, Lord Stanley was a director of Barclay's Bank, one of the five leading English banks. His brother, Oliver Stanley, has been a member of the Cabinet for many years. Lord Derby's great-nephew by marriage is Charles Wood, the afore-mentioned son of Lord Halifax, while his son-in-law, Captain Malcolm Bullock, is also a Member of Parliament. Lord Derby's brother, Sir Arthur Stanley, was a Member of Parliament from 1898 to 1918. He is another of Britain's great financial magnates. Among other things, he is chairman of the board of directors of the Buenos Aires Pacific Railway Co., as well as one of the directors of the Westminster Bank—so

that during the lifetime of the Dominions Secretary, Lord Edward Stanley, the Derby clan was represented in the governing board of two of the five great English banks. Finally, Arthur Stanley is also on the governing board of the great British Match Corporation.

The funds Lord Derby lavishes upon his racehorses are estimated at about £50,000 a year. This expensive hobby of his is shared by Lord Londonderry, the father-in-law of Lord Derby's son, Oliver Stanley. Lord Londonderry held high ministerial office for many years and was at one time the chairman of the Tory party organization. From 1935 to 1938 he acted as Leader of the House of Lords. One of his sons, Viscount Castlereagh, is a member of the House of Commons.

OLD AND NEW LORDS

Only 175 of the lords in the Upper House represent families that had a seat in that House before the beginning of the nineteenth century. The families of 276 lords moved into the Upper House in the nineteenth, those of 310 lords in the twentieth century. As a matter of fact, the House of Lords is today nothing but a gathering of the richest bankers and industrialists provided by the King with titles, to whom are added those 175 families from the time before the industrial revolution in England; the majority of these latter have, however, long since gone into big business too.

In this manner the old English upper class has succeeded in intercepting any middle-class revolution, such as the various continental countries passed through during the nineteenth century. By raising such members of the middle class as were most outstanding in wealth—and therefore in power—to the peerage, revolutionary developments were nipped in the bud. The system was doubtless very clever and admirably suited to the British mentality. The result, however, is that the so-called aristocracy, as represented in the House of Lords today, differs very little from a meeting of a chamber of commerce.

In 1924 Ramsay MacDonald tried to introduce a few of his Labor friends into the Upper House, among them Philip Snowden and Sidney Webb, the well-known Socialist theorist. Philip Snowden became Viscount Snowden and Sidney Webb became Lord Passfield of Passfield. The bankers and big businessmen in the House of Lords accepted

this with a smile. Neither of the two representatives of Labor was able to play a part of any importance after being raised to the peerage. Lord Snell, who is also one of these "Labor Lords," occasionally makes an opposition speech. Thus parity is satisfied. But in reality the exclusive family clan rules.

THE AMERICAN VISCOUNT

Even more interesting is the well-known story of the Astor family, who own the *Times*. The founder of the family, Jacob Astor, was a peasant's son from the vicinity of Heidelberg who emigrated to America in the latter half of the nineteenth century and there acquired a huge fortune in the fur trade. His grandson, William Waldorf Astor, became American Ambassador to Rome; he then moved to England, where he became a British subject in 1899. When he died in 1919 he had already acquired the title of viscount, the huge fortune amassed by the American Astor family having smoothed the way. Of his two sons, Major G. G. Astor is now Member of Parliament for Dover. The other, as Viscount Astor, represents the interests of the family in the Upper House. As the first Viscount Astor left about 15 million pounds, it was not hard for his sons to play brilliant parts in England's upper circles.

Meanwhile, the Astor family holds the following seats in Parliament: Lord Astor is in the Upper House. Lady Astor, his wife, is a Conservative Member of the Lower House. W. W. Astor, their son, is also a Conservative Member of the House of Commons, while his uncle, whom we already mentioned, is Member for Dover. One of the daughters of Lord Astor married Lord Willoughby, a Member of the House of Commons, and one of the nieces of Lady Astor married Ronald Tree, M.P. In other words: the 15-million-pounds inheritance won the Astor clan one seat in the House of Lords and five in the House of Commons.

When the son of Viscount and Lady Astor was to enter the House of Commons, his mother, since 1919 Member for Plymouth, made the following election speech:

I hold particularly pronounced views on the education of young people destined for Parliament. Knowledge is an essential factor to a young man before he can accept a seat in Parliament. People have made the attempt to induce my son to become an M.P. at the age of 21. But I prevented that and sent him abroad. The result is that

now you have a candidate well qualified and educated for his task. And what is more, he has his mother in Parliament to see to it that he conducts himself correctly. You have the opportunity of sending a young man to Parliament whose mother will be at his side to help and to guide him. No other electorate in England is able to do this.

THE OLD SCHOOL TIE

We might add a few words about the importance of certain schools and universities. As an example we may quote Stanley Baldwin who, when forming one of his numerous governments, declared:

When I was charged with the task, one of my first thoughts was that this must prove to be a Government worthy of the Harrow tradition.

The number of former pupils of Eton and Harrow among the Conservative Members of Parliament amounted to 37 per cent in 1905, 43 per cent in 1909, 31 per cent in 1928, and 30 per cent in 1938.

It now remains for us to cast one more glance at the House of Lords, the most essential things about which we have already mentioned. Simon Haxey figured out that of the 90 "new" peers who moved into the House of Lords or were raised into the upper nobility since 1931, 60 are chairmen or members of boards of directors. Together they hold 420 directorial seats. While the directors in the Lower House average 3 or 4 posts to one person, the new peers who are at the same time directors average 7 such posts.

The ownership of newspapers is one of the specialities of the Upper House. Almost all the chairmen of the board of directors of the great newspaper concerns (including the Labor Party's *Daily Herald* represented by Lord Southwood) are in the House of Lords.

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The reverence for his ruling class which has been instilled into the Englishman for centuries is so deeply rooted in him that he has taken this ruling class for granted up to now. But with the present war approaching its decisive phase, a crisis in the unchallenged leadership of Britain's financial oligarchy is not unlikely.

One thing may be prophesied almost with certainty, namely that, whatever the outcome may be, it will strike at the very foundations of the privileged classes of England.